

1 like that.

2 Q Okay.

3 And is that something that you required your  
4 landlord to put in for you as part of his --

5 A Actually, we built it.

6 It was part of the deal I guess. But we built  
7 it, had subcontractors go in.

8 Q All right.

9 MR. DAWSON: Okay. I think that's all I have.

10 Thank you very much.

11 ALJ WALWYN: We'll take a break.

12 Before we do, Mr. Hurst, I asked for some  
13 information from Mr. Graczyk.

14 I didn't reserve on exhibit number.

15 Oh, there you are.

16 Does Exhibit No. 68 work for the information  
17 I asked for from Mr. Graczyk?

18 MR. HURST: I'm sorry. I couldn't hear you,  
19 your Honor.

20 ALJ WALWYN: I didn't reserve an exhibit number for  
21 the information that you were going to supply.

22 MR. HURST: So that would be 68?

23 ALJ WALWYN: Yes.

24  
25 (Exhibit No. COLO-68 was  
reserved.)

26 MR. HURST: Okay.

27 ALJ WALWYN: And at the time you give it,

28 indicate whether it's confidential or not.

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1 MR. HURST: Okay.

2 ALJ WALWYN: And when do you think that would be?

3 MR. HURST: My expectation would be to have that  
4 before the end of the week.

5 ALJ WALWYN: Okay. Thank you.

6 Let's take a 10 minute break.

7 (Recess taken) ]

8 ALJ WALWYN: On the record.

9 Mr. Edwards.

10 CROSS-EXAMINATION

11 BY MR. EDWARDS:

12 Q Mr. Regan, my name is Jeff Edwards.

13 I'm an attorney with GTE.

14 I want to make sure I understand a couple of  
15 the answers you gave to Mr. Dawson.

16 You were talking about shared cages?

17 A Yes.

18 Q And you were making reference to a tariff.

19 Is that the Pac Bell tariff?

20 A Actually, it's -- we had that in our  
21 interconnection agreement, and it's --

22 Q With --

23 A -- with Pacific Bell.

24 Q And when you say you had "that" in your

25 interconnection agreement --

- 26       A   Had the shared cage agreement in  
27   our interconnection agreement with Pacific Bell.  
28       Q   And then allowed shared cages?

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1 A Yes.

2 Q Do you have that in any of your interconnection  
3 agreements with GTE?

4 A I believe there's talk about it, but I don't  
5 know if we finalized on it.

6 There's still some open issues.

7 I'm doing the national GTE across everywhere,  
8 and there's a lot of GTE interconnection agreements  
9 that are still open and not finalized yet.

10 Q How about in California?

11 A In California I don't believe we do shared.

12 Q Have you asked for shared -- or is shared the  
13 same thing as common collocation?

14 A No, no. Shared is much different.

15 Q What's the difference?

16 A In common collocation you still need to provide  
17 the redundant infrastructure, and you need to provide  
18 redundant cabling compared to the standard central office  
19 equipment.

20 In a shared environment you still need to --  
21 in a shared environment, you still need to provide  
22 redundant cabling and infrastructure and HVAC, but it's  
23 enclosed in an actual cage, and you're shared with an open  
24 air, 10 foot by 10 foot, with other CLECs that are not  
25 cordoned off by a cage, screen or anything.

26           It's open for three CLECs within that 10 foot

27 by 10 foot.

28           Q But are you -- are you familiar with the common

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26 and not the guy who's going to go out and gather this

27 stuff.

28 It would be more helpful to us for AT&T

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1 collocation proposal submitted in this docket by GTE?

2 A I know what common collocation is, and common  
3 collocation is the same as physical without the cages.

4 Am I familiar with the GTE docket? No.

5 Q What's the difference between shared and  
6 physical?

7 A Shared is a segregated part of the office  
8 separated from the ILEC but open to the other CLECs.

9 Common collocation is an area designated in  
10 a certain area of a central office not necessarily  
11 cordoned off with a separation.

12 There's some common collocation sites that are  
13 just in a separate part of the central office.

14 Q I don't understand. Is the --

15 A Okay.

16 ALJ WALWYN: I'm confused. Let me ask here.

17 Can you tell me a site in California that has  
18 a common collocation site that isn't fenced?

19 THE WITNESS: No. I do the collocation around  
20 the different places.

21 And for California -- then I'll go and say,  
22 no -- the common collocation sites are fenced to  
23 a segregated section of the central office.

24 ALJ WALWYN: Why don't we go back with you,  
25 Mr. Edwards.

26 THE WITNESS: Sorry.

27 MR. EDWARDS: Q Is the only distinction you're

28 making between "shared" and "common," that under your

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1 definition of "common," there is a fence around the common  
2 area and "shared," there's not a fence?

3 A There's a difference in pricing with the  
4 shared, and there's a different -- meaning that you may  
5 have some -- in a shared concept, you have three  
6 collocators that could be in a 10 foot by 10 foot, and  
7 that would -- would be segregated from other CLECs.

8 The only people that would be in the shared  
9 concept would be the three, and that would be secured from  
10 all other CLECs.

11 The common area is an area that's open to  
12 all the CLECs.

13 Q All right. So shared is limited to three?

14 A Limited to three, which in that particular  
15 three are segregated from everyone else.

16 Q And might a shared collocation space be  
17 segregated by a fence also?

18 A Yes, yes.

19 Q Now, when Covad enters into its shared  
20 arrangements, are there particular CLECs that they do that  
21 with?

22 A To anybody who comes in. There is -- the next  
23 person who would like to -- the next CLECs who would like  
24 to be in that central office can request two bays in an  
25 area.

26 Q You'd agree with me that there is -- there's  
27 competition among various CLECs for market sharing, would  
28 you?

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1 A Yes.

2 Q And you'd agree with me that there are certain  
3 CLECs who prefer physical cage collocation over  
4 other forms of collocation; is that correct?

5 A There may be, yes.

6 Q Have you read Mr. Levy's testimony on behalf of  
7 MGC in this docket?

8 A No, I have not.

9 Q In that testimony Mr. Levy stated that  
10 MGC prefers physical collocation for several reasons,  
11 one of which is it provides increased security.

12 MR. SELBY: Your Honor, I was admonished the other  
13 day that I wasn't allowed to testify, and that's just  
14 straight out testimony.

15 That's not a question. That isn't even close  
16 to a question.

17 So I just want fair play.

18 ALJ WALWYN: Well, I think in this case  
19 it's an exhibit in the case and can be provided  
20 to the attorney and be shown to the witness as a cite.

21 Let's see where we go and see if there's  
22 an objection.

23 But as to that particular one, I do think  
24 this is okay.

25 (Document handed to the witness)

26 MR. EDWARDS: I'm showing Mr. Regan the testimony I

27 was referring to from Mr. Levy.

28 It's in the box.

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1 ALJ WALWYN: Which for the record is Collocation  
2 Exhibit 16, COLO-16.

3 MR. DEANHARDT: Also for the record, your Honor,  
4 Mr. Regan is being shown a very small section of that  
5 exhibit and is not being shown or asked to read the entire  
6 exhibit.

7 ALJ WALWYN: Okay. And actually it was Mr. Rahm  
8 that testified for that. That was Mr. Levy's testimony  
9 adopted by Mr. Rahm.

10 MR. EDWARDS: Q Do you see that, Mr. Regan?

11 A Yes, I do.

12 MR. SELBY: Could we have a page cite, your Honor,  
13 and some lines just for the record?

14 We have no idea what is being referred to.

15 MR. EDWARDS: May I have this one back, Mr. Regan?

16 ALJ WALWYN: All right. So Exhibit we're on  
17 Exhibit 16.

18 What page, Mr. Edwards?

19 MR. EDWARDS: It's page 3, and there are no  
20 line numbers on Mr. Levy's testimony.

21 ALJ WALWYN: It's pretty short testimony  
22 if I recall.

23 MR. EDWARDS: It's page 3, the second question.

24 It would be Question 4.

25 Q Mr. Regan, are you aware that there are --

- 26 do you have any knowledge regarding whether there are  
27 other CLECs who would prefer that their equipment be  
28 located in a collocation cage for security purposes?

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1 MR. DEANHARDT: Your Honor, I'm going to object.

2 I'm not sure what the question is, whether that's  
3 referring to this document or outside of this document.

4 MR. EDWARDS: I'm just asking of his own personal  
5 knowledge.

6 ALJ WALWYN: Okay.

7 THE WITNESS: Not to my -- I've never asked anybody  
8 else about that.

9 Most every CLEC that I've talked to would  
10 prefer cageless collocation. That's been the common  
11 information that I've talked about.

12 MR. EDWARDS: Q So you've never -- you've never  
13 been told that there are CLECs who would prefer not to --  
14 for their equipment not to be available for access to  
15 Covad employees or technicians?

16 A I don't work with a technical basis with other  
17 CLECs like that.

18 I work strictly on the Covad equipment and  
19 Covad's central offices, and I don't get any discussions  
20 like that.

21 The common thread of information -- common  
22 thread that I hold with other CLECs is that they like  
23 cageless collocation.

24 And to be specific about your answer, I do not  
25 specifically know, but there may be some out there.

26 Q All right. So you -- you, in your duties and  
27 responsibilities, have never been told by either  
28 another CLEC or an ILEC that there are CLECs who do not

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1 want their equipment --

2 A It may have come up in meetings, yes, in  
3 negotiations with the ILEC, that CLECs may not want to  
4 have collocation.

5 That -- I forget what meetings it was -- but,  
6 yes, in some meetings that did come up.

7 Q So you do remember that subject coming up?

8 A I do remember it in a negotiation meeting about  
9 things that an ILEC stated that.

10 I hope you don't -- this goes back on my memory  
11 a little bit.

12 Q And an ILEC in providing its collocation space  
13 has to be mindful of the concerns of all of the CLECs  
14 collocated there, correct?

15 A They have to treat everybody the same.

16 Q Let me ask you to look at your direct testimony  
17 page 5, lines 15 through 22.

18 Are you with me?

19 A Mhmm-hmm.

20 Q There at the beginning of that you said that  
21 it's your understanding that GTE's only provisioning  
22 cage-based physical collocation.

23 Do you see that?

24 A Yes.

25 Q You do know that GTE is offering virtual

26 collocation also, correct?

27 A The answer on that when you look at

28 the question is what types of physical collocation

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1 do Pacific Bell and GTE currently offer.

2 The types of physical collocation that  
3 Pacific Bell and GTE are provisioning only cage base.

4 The answer isn't to whether they offer various  
5 other types of collocation.

6 This particular answer is answering  
7 the specific question that says what types of physical.

8 The only type of physical collocation at  
9 Pac Bell and GTE were the common caged.

10 Now, if -- and for -- for Covad we have that  
11 type of physical collocation with those.

12 Q Do you know that GTE is also offering virtual  
13 collocation?

14 A Yes, they offer virtual.

15 Q And you also know that GTE at least in its  
16 pricing proposal in this proceeding is offering prices for  
17 common collocation?

18 A Yes. Going forward I believe that there's  
19 discussions about GTE doing that.

20 Again, to answer your virtual, that's a  
21 different segment in regards to these -- this question,  
22 though.

23 Q On page 7, lines 2 through 9 is my reference  
24 for these questions, Mr. Regan.

25 Covad's name is on the testimony filed by

26 Mr. Turner in this docket.

27 Did you know that?

28 A No, I didn't.

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1 Q So do you know whether Covad is a sponsor of  
2 the collocation cost model that's been put forth in this  
3 docket?

4 A I don't know that.

5 Q And I'm correct that Covad has not offered any  
6 pricing proposal in this docket, correct?

7 A I -- if there was pricing offered, it did not  
8 come from me.

9 Q I believe you're the only Covad witness.

10 A Okay.

11 Q I want to make sure I understand what your  
12 position is in lines 2 through 3 there where you recommend  
13 that the collocating CLEC only be assessed its pro rata  
14 share of costs.

15 Do you see that?

16 A Mhmm-hmm.

17 Q Now, are the costs that you're talking about  
18 there the costs to prepare the collocation space for  
19 Covad's presence?

20 A It would be the cost to prepare for a two-bay  
21 site in a -- yes.

22 Q And when you use the term "pro rata," what do  
23 you mean?

24 A The way Covad -- the way collocation is done  
25 now, you -- there is a rebate, you pay 100 percent in the

26 upfront costs.

27           And as other collocators move in, there's a

28 rebate cost that comes back.

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1           If the two bays -- a typical two bays' worth of  
2 equipment were placed in a cageless environment, the  
3 costing would be totally different, and the cost for those  
4 two particular bays could be done on a pro rata cost for  
5 the people coming in.

6           If you build a large -- when they build --  
7 typically build a collocation site in an office  
8 building -- excuse me -- in a central office, they would  
9 build it to accommodate usually more than one if you're  
10 going to go through the expense of doing all of the deck  
11 engineering and costing with the cabling and HVAC and they  
12 build the whole area, they normally would not do that for  
13 one person. They would build out four or six bays, 10  
14 foot by 10 foot, in a normal environment.

15           I've seen that happen many times.

16           So when they do that, the first player in pays  
17 the upfront cost for all of that and then would get  
18 rebated as other collocators move in.

19           Q Right.

20           A On a pro rata basis, it could be put in. And  
21 if they were going to do that, say, they configure for  
22 three or four collocators, then the first one in would  
23 only pay the one third or one fourth of what it cost to  
24 build all, not all 100 percent upfront and then wait for  
25 rebates.

26 Q Well, suppose -- suppose -- let me ask you  
27 this.  
28 You make a point, I believe, on page 4 of your

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1 testimony that Covad's marketing may be different than  
2 other CLECs, correct?

3 A It may be.

4 Q I think you state that on page 4 --

5 A Okay.

6 Q -- lines 18 through 20, correct?

7 A Okay.

8 Q And so that means that Covad actually may  
9 perhaps be located in central offices that other CLECs may  
10 not be interested in; isn't that correct?

11 A Correct.

12 MR. DEANHARDT: Your Honor -- your Honor, I  
13 apologize. I have to object because it went a little fast  
14 for me.

15 But the testimony to which -- to which -- I'm  
16 sorry -- I just blanked -- Mr. Edwards was referring did  
17 not say that Covad has different marketing strategies.

18 That is not what it says, so --

19 ALJ WALWYN: What were you citing to, Mr. Edwards?

20 MR. EDWARDS: Q Let's look on page 4, lines 18  
21 through 20.

22 I think you say there that Covad's blanket  
23 coverage physical collocation strategy is considerably  
24 different than most other CLECs.

25 Do you see that?

- 26 A Mhmm-hmm, yes, I do.
- 27 Q Is that a true statement?
- 28 A To the best of my knowledge, yes.

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